
STATUTORY INSTRUMENTS

2014 No. 2511

The Power Purchase Agreement Scheme Regulations 2014

PART 1

General

Citation and commencement

1.—(1) These Regulations may be cited as the Power Purchase Agreement Scheme Regulations 2014.

(2) Regulations 1 to 3, [5\(2\)](#), [12](#), [15\(1\)](#) and (2), [21\(1\)](#) to (4), [25\(1\)](#), (3) and (4), [29](#), [30](#) and [32](#) come into force on 14th October 2014.

(3) Except as stated in paragraph (2), these Regulations come into force on 1st October 2015.

Interpretation

2.—(1) In these Regulations—

“the Act” means the Energy Act 2013;

“auction” means an auction held by virtue of relevant supply licence conditions;

“backstop power purchase agreement” (“BPPA”) means a power purchase agreement which is entered into under the power purchase agreement scheme;

“Balancing and Settlement Code” means the code for the governance of electricity balancing and settlement in Great Britain which is maintained in accordance with the conditions of transmission licences granted under section 6(1)(b) of the Electricity Act 1989(1), as it was in force on 1st April 2014;

“CFD counterparty” means the person or persons designated as a counterparty for contracts for difference in accordance with section 7 of the Act;

“day” means a day that is not—

(a) a Saturday or Sunday, Christmas Day or Good Friday, or

(b) a day which is a bank holiday under the Banking and Financial Dealings Act 1971(2) in England and Wales or Scotland;

“electrical output”, in relation to an eligible generator which has entered into a BPPA in respect of a generating station, means the net electrical output of the generating station delivered to the delivery points over a period of time, as measured by the metering equipment measuring the flows of electricity associated with the generating station and expressed as an amount for each megawatt hour of electricity;

(1) [1989 c.29](#). Section 6 was substituted by section 30 of the Utilities Act [2000 \(c.27\)](#). Section 6(1)(b) was substituted by section 136(1) of the Energy Act [2001 \(c.20\)](#).

(2) [1971 c.80](#). Schedule 1 to the Act was amended by section 1 of the St Andrew’s Day Bank Holiday (Scotland) Act [2007 \(asp 2\)](#).

“electricity generator” means a person who operates or participates in the operation of a generating station;

“eligibility requirements” means the requirements specified in relevant supply licence conditions as to the eligibility of an electricity generator to enter into a BPPA with a licensed supplier;

“eligible generator” means an electricity generator in whose case the Authority’s determination under regulation 6(1) is that the eligibility requirements are met;

“expression of interest” has the meaning given in regulation 5(1);

“generating station” is to be read in accordance with paragraph (2);

“GSP group” has the meaning given in the Balancing and Settlement Code (see Annex X-1 of section X of that Code (definitions and interpretation: general glossary));

“levelisation payment” means any payment which is made into or out of the OLR levelisation account in accordance with Part 3;

“mandatory licensed supplier”, in relation to an OLR year, means a licensed supplier in whose case a determination under regulation 12(1)(a) has been made in respect of that OLR year;

“mutualisation distribution” has the meaning given in regulation 26(2)(c);

“mutualisation payment” has the meaning given in regulation 26(2)(b)(i);

“offtaker of last resort” (“OLR”), in relation to a BPPA, means the licensed supplier which enters into the BPPA with an eligible generator;

“OLR levelisation account” means the account maintained by the Authority under regulation 18;

“OLR notice” means a notice that one or more BPPAs are to be subject to an auction held in respect of an eligible generator;

“OLR year” means (as appropriate)—

- (a) the period of 6 months ending on 31st March 2016,
- (b) the period of 12 months starting on 1st April 2016 and ending on 31st March 2017,
- (c) each subsequent 12 month period starting on 1st April and ending on 31st March;

“periodic levelisation period” means each period determined by the Authority under regulation 21;

“project information” has the same meaning as in relevant supply licence conditions;

“relevant contract” means—

- (a) a contract for difference under Chapter 2 of Part 2 of the Act which has been entered into by an electricity generator, or
- (b) an investment contract within the meaning of Schedule 2 to the Act(3) which has been entered into by an electricity generator;

“relevant supply licence conditions” means conditions contained within a supply licence which has been modified by the Secretary of State by virtue of section 50(1) of the Act;

“statement of confirmation” has the same meaning as in relevant supply licence conditions;

“supply” has the same meaning as in the Electricity Act 1989 and “supplied” is to be read accordingly;

“supply licence” means a licence granted by the Authority to supply electricity under section 6(1)(d) of the Electricity Act 1989;

(3) See paragraph 1 of Schedule 2.

“voluntary licensed supplier” means a licensed supplier which is not a mandatory licensed supplier.

- (2) In these Regulations, any reference to a “generating station” is to be read as a reference to—
- (a) where the whole of the generating station is subject to a relevant contract, the whole of the generating station; and
 - (b) where only part of the generating station is subject to a relevant contract, that part of the generating station that is subject to the relevant contract.